

## **Cherwell District Council**

### **Accounts, Audit and Risk Committee**

Minutes of a meeting of the Accounts, Audit and Risk Committee held at Bodicote House, Bodicote, Banbury, Oxon OX15 4AA, on 15 January 2025 at 7.00 pm

Present:

Councillor Alisa Russell (Chairman)  
Councillor David Rogers (Vice-Chairman)  
Councillor Frank Ideh  
Councillor Ian Middleton  
Councillor Rob Parkinson  
Councillor Dom Vaitkus  
Harry Lawson, Independent Person (no voting rights)  
Sarah Thompson, Independent Person (no voting rights)

Apologies for absence:

Councillor Besmira Brasha  
Councillor Nicholas Mawer

Also Present:

Councillor Lesley McLean, Deputy Leader and Portfolio Holder for Finance, Regeneration and Property

Also Present Virtually:

Mark Bartlett, External Audit, Bishop Fleming  
Craig Sullivan, External Audit, Bishop Fleming  
Connor Munro, Internal Audit, Veritau

Officers:

Shiraz Sheikh, Assistant Director Law & Governance and Monitoring Officer  
Joanne Kaye, Head of Finance and Deputy Section 151 Officer  
Ian Upstone, Waste Resource Manager  
Alex Rycroft, Strategic Finance Business Partner  
Patrick Davis, Democratic and Elections Officer

Officers Attending Virtually:

Ian Boll, Corporate Director Communities  
Claire Cox, Assistant Director Human Resources  
Ruth Wooldridge, Health and Safety Manager

58 **Declarations of Interest**

There were no declarations of interest.

59 **Petitions and Requests to Address the Meeting**

There were no petitions or requests to address the meeting.

60 **Minutes**

The Minutes of the meeting of the Committee held on 20 November 2024 were agreed as a correct record and signed by the Chairman.

61 **Chairman's Announcements**

There were no Chairman's announcements.

62 **Urgent Business**

There were no items of urgent business.

63 **Verbal update on the 2023-24 Statement of Accounts**

Craig Sullivan, Partner and Mark Bartlett, Director at Bishop Fleming, the council's external auditor, provided the Committee with an update on the Audit Completion Report and the Auditor's Annual Report.

In response to a question regarding the reclassification of assets between investment assets and property, plant and equipment (PPE), the Committee was advised that PPE was one of the main items that remained to be fully audited.

In response to a question regarding the lack of information in Section 6, Audit Adjustments, the Committee was advised that work was still being undertaken on this element of the audit and the pension liability commitment was still subject to a final valuation.

In response to questions regarding the impact of the disclaimed opinion on the opening balances for 2023/24 due to a disclaimed opinion for the 2022/23 audit, the Committee was advised that the current audit had included work on transactional data and management accounts for the 2023/24 period and this had not led to any concerns that would impact on the opinion provided by Bishop Fleming. The Committee was advised that there would still be a disclaimed opinion due to there not being assurance provided on the opening balances.

## **Resolved**

- (1) That the 2023/24 Statement of Accounts verbal update be noted.

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## **External Audit 2023/24 Update**

The Assistant Director of Finance (Section 151 Officer) submitted a report to update the Committee on the status of the audit of the 2023/24 statement of accounts, to note the proposed changes to the draft statement of accounts; to note the draft Letter of Representation; and to seek delegated authority to finalise the accounts with the auditors by the backstop date for the 2023/24 accounts.

In introducing the report, the Portfolio Holder for Finance, Property and Regeneration highlighted the changes that had been made since the final draft accounts had been issued which included changes in value to long term assets and a likely change to come in relation to the recording of the pension fund liability. The Committee was advised that none of the changes impacted on the General Fund balance.

In response to a question regarding the change in valuation of property assets, the Committee was advised that the asset in question was Tramway Industrial Estate.

In response to a question regarding the billing from the previous External Auditors the Committee was advised that Public Sector Audit Appointments would be reviewing the audit fees for the 2022/23 statement of accounts.

## **Resolved**

- (1) That the proposed changes between the draft and final statement of accounts for 2023/24 be noted.
- (2) That the draft Letter of Representation for 2023/24 (annex to the Minutes as set out in the Minute Book) be noted.
- (3) That once the final audit opinion for 2023/24 was received, the Assistant Director Finance (S151 Officer), in consultation with the Chair of the Accounts, Audit and Risk Committee (or Vice Chair in their absence), be authorised to make any further changes to the accounts agreed with the auditors and sign the accounts and it be noted that any further changes would be brought to the Committee's attention at its next meeting following the signing.
- (4) That the Assistant Director of Finance (S151 Officer), in consultation with the Chair of the Committee (or Vice Chair in their absence), be authorised to make any further changes to the letter of representation agreed with the auditors that may arise during completion of the audit and it be noted that any further changes would be brought to the Committee's attention at its next meeting following the signing.

65 **Annual Governance Statement 2023-2024 – Update on Actions**

The Assistant Director of Law and Governance and Monitoring Officer submitted a report to consider an update on actions from the Annual Governance Statement (AGS) 2023/2024.

In introducing the report, the Assistant Director of Law and Governance and Monitoring Officer advised the Committee that the Annual Governance Statement was a document that explained the processes and procedures that were in place to enable the Council to carry out its functions and also to ensure that it complied with the Governance Code and relevant legislation.

In response to a question regarding the implementation of kerbside glass recycling the Committee was advised that the Council was required to implement this initiative by April 2026. The Council was expected to receive its first Extended Produce Responsibility (EPR) payment from DEFRA in 2025/26.

**Resolved**

- (1) That the update on the actions arising from the Annual Governance Statement 2023/2024 be noted.

66 **Local Code of Corporate Governance**

The Assistant Director of Law and Governance and Monitoring Officer submitted a report to review the Local Code of Corporate Governance. The code was part of the overall system of internal control at the Council and supported the provision of the Annual Governance Statement (AGS) which was approved annually by the Accounts, Audit and Risk Committee.

In introducing the report, the Assistant Director of Law and Governance and Monitoring Officer advised the Committee that although it was not a legal requirement, the implementation of the Local Code of Corporate Governance was viewed as best practice for local authorities and was based on the CIPFA / Solace Framework for Corporate Governance in Local Government. The Committee was informed that the Local Code of Corporate Governance was reviewed annually.

**Resolved**

- (1) That the Council's Local Code of Corporate Governance be approved.

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### **Capital and Investment Strategy and Draft Treasury Management Strategy 2024/25**

The Assistant Director of Finance (Section 151 Officer) submitted a report to update the Committee on the draft Capital and Investment Strategy and Treasury Management Strategy for 2025-26.

In introducing the report the Portfolio Holder for Finance, Property and Regeneration advised the Committee that the Strategies set the limits that the Council must work within. They were reviewed annually as part of the budget setting process and submitted to the Committee for review, comment and recommendation to the Executive.

In response to a question from the Committee regarding the reduction of the operational boundary from £290M to £200M, within the Capital and Investment Strategy, the Head of Finance advised that this was now calculated using a risk-based approach rather than a worst case basis which was viewed as a more realistic approach to these parameters.

Further questions were raised regarding the Capital Programme budgets for the “Quality Housing and Place Making” and “Running the Business” corporate priorities. The Head of Finance undertook to provide more information to the Committee.

#### **Resolved**

- (1) That the draft Capital and Investment Strategy for 2025-26 and draft Treasury Management Strategy for 2025-26 be recommended to Executive.

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### **Internal Audit Progress Update 2024/25**

The Assistant Director of Finance (Section 151 Officer) submitted a report which provided the Committee with an update on the delivery of the internal audit work programme for 2024/25.

In introducing the report, Connor Munro, Assistant Director – Audit Assurances at Veritau explained that the report was intended to provide the Committee with assurances that Veritau were on track to deliver the internal audit work programme for the current year, to provide outcomes on finalised audits and an overview on the full activity that had been undertaken during the year. Since the last report to the Committee the procurement compliance and corporate health and safety engagements had been completed.

In response to a question regarding the effectiveness of the controls that were currently in place particularly relating to procurement compliance, the Committee was advised that it was too early in the audit to come to a conclusion but the Corporate Leadership Team were taking this issue seriously and appropriate actions had been agreed.

In response to a question regarding the Merton College planning application appeal, the Committee was advised the internal audit had concentrated on the events that led to the appeal along with performance management within the planning service.

In response to a question regarding the nine agreed actions that were overdue, further information would be circulated to the Committee.

**Resolved**

- (1) That the progress made in delivering the 2024/25 internal audit work programme be noted.

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**Work Programme**

The Head of Finance provided an update on the Committee's work programme.

**Resolved**

- (1) That the work programme update be noted.

The meeting ended at 8.20 pm

Chairman:

Date: